



**FEDERAL ELECTION COMMISSION**

Washington, D.C. 20463

1 **MEMORANDUM**

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3 **TO:** The Commission

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5 **FROM:** Lisa J. Stevenson  
6 Acting General Counsel

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8 Kathleen M. Guith  
9 Associate General Counsel for Enforcement

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11 **BY:** Jin Lee *JL*  
12 Acting Assistant General Counsel

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14 Dominique Dillenseger *DD*  
15 Attorney

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17 **SUBJECT:** MURs 7001, 7002, 7003, 7009 & 7455 (Ted Cruz for Senate) –  
18 Pre-Probable Cause Conciliation Agreement

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19 **I. INTRODUCTION**

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21 On July 31, 2018, the Commission found reason to believe that Ted Cruz for Senate and  
22 Bradley S. Knippa in his official capacity as treasurer (the "Committee") violated 52 U.S.C.  
23 § 30104(b)(3)(E) and 11 C.F.R. § 104.3(d)(4) by misreporting loans totaling \$1,064,000 when it  
24 failed to properly disclose the source of the loans. The Commission authorized pre-probable  
25 cause conciliation and approved a conciliation agreement with an opening settlement offer of  
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Under the circumstances



1 Under these circumstances, we  
2 believe that the better course is for the Commission to accept this agreement and close the file in  
3 this matter rather than expend additional resources in further conciliation discussions.

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5 For these reasons, we believe that the Committee's counteroffer is an acceptable  
6 resolution of this matter, and we recommend that the Commission accept the proposed  
7 agreement and close the file in this matter.

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9 **III. RECOMMENDATIONS**

- 10 1. Accept the attached conciliation agreement with Ted Cruz for Senate;  
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12 2. Approve the appropriate letters; and  
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14 3. Close the file.  
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